

## Message Text

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ORIGIN EB-07

INFO OCT-01 EA-07 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05  
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
OMB-01 OIC-02 AF-10 ARA-06 EUR-12 NEA-10 /136 R

DRAFTED BY EB/OT/TA:JCUNNINGHAM:PRM  
APPROVED BY EB/OT/TA:DDUNFORD  
TREAS:EBARBER  
STR:JGREENWALD  
COMMERCE:ELESLIE  
EA/ANP:W GALAGHER

-----170859Z 034154 /12

R 170058Z MAY 77  
FM SECSTATE WASHDC  
TO USMISSION GENEVA  
INFO AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ETRD, GATT, NZ

SUBJECT: GATT BALANCE OF PAYMENTS COMMITTEE - NEW ZEALAND  
E  
REF: STATE 223115 (1976)

1. ON MARCH 30, 1977 THE NEW ZEALAND EMBASSY NOTIFIED  
THE USG OF THE LATEST EXTENSION, UNTIL FEBRUARY 2,  
1978, OF THEIR LIMITED IMPORT DEPOSIT SCHEME. IN THE GATT  
WORKING PARTY WHICH MET JUNE 15, 1976 (L/4363) THE  
REPRESENTATIVE OF NEW ZEALAND CONFIRMED (PARAGRAPH 14)  
HIS GOVERNMENT'S INTENTION TO TERMINATE THE MEASURE BY  
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FEBRUARY 2, 1977. THE USG BELIEVES THAT AS A RESULT OF  
THE EXTENSION OF THIS MEASURE IT IS APPROPRIATE TO REQUEST  
THAT THE MATTER BE REVIEWED BY THE GATT COUNCIL.

2. WHILE A WORKING PARTY WAS ESTABLISHED TO REVIEW THE  
IDS IT IS NOT SCHEDULED TO MEET AGAIN UNLESS REQUESTED  
BY THE COUNCIL TO DO SO. WE BELIEVE IT WOULD NOT BE

PREFERABLE TO UTILIZE THE WELL ESTABLISHED BOP COMMITTEE RATHER THAN RECALL THE WORKING PARTY. IN OUR VIEW, THE BOP COMMITTEE, AS A PERMANENT BODY, IS IN A BETTER POSITION TO REVIEW ACTIONS SUCH AS THE IDS ON AN ONGOING BASIS AND TO FOLLOW UP ON ITS OWN RECOMMENDATIONS. THE BOP COMMITTEE TERMS OF REFERENCE ALSO INDICATE THAT IT IS THE

APPROPRIATE GROUP TO CARRY OUT ANY CONSULTATIONS WITH THE IMF WHICH MAY BECOME NECESSARY.

3. IN DISCUSSIONS YOU MAY ALSO STRESS THE NON-PUNITIVE NATURE OF OUR INTEREST IN REFERRAL TO THE BOP COMMITTEE; ASSURE NEW ZEALAND THAT WE WILL GIVE A SYMPATHETIC HEARING TO THEIR PROBLEMS; AND INDICATE THAT WE VIEW THE BOP COMMITTEE AS A BETTER FORUM FOR THE DISCUSSION OF PROBLEMS OF THIS NATURE AND WISH TO ESTABLISH THE PRECEDENT OF USING IT, RATHER THAN A CONTINUING SERIES OF WORKING PARTIES, -HUS IMPROVING GATT HANDLING OF MEASURES, INCLUDING PRIOR DEPOSIT SCHEMES, TAKEN FOR BOP REASONS. WE BELIEVE IT IS IN NEW ZEALAND'S INTEREST AS WELL, AS THIS WILL ALLOW WIDER CONSIDERATION OF NOT ONLY THE MEASURES THEY HAVE TAKEN, BUT ALSO OF THE CAUSES OF THE IMBALANCE WHICH FORCED THEM TO IMPOSE THE IDS. THE WORKING PARTY IS RESTRICTED IN WHAT IT MAY CONSIDER BY ITS TERMS OF REFERENCE. YOU MAY ASSURE THE GNZ THAT IF CONSIDERATION OF THEIR PROBLEMS IS MOVED TO THE BOP COMMITTEE WE WILL SUPPORT THEM IN INSURING THAT THEY HAVE THE OPPORTUNITY FOR A DISCUSSION OF THE ENTIRE MATTER, CAUSES AS WELL AS EFFECTS.

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4. THE US INTEREST IS IN THE STRENGTHENING OF THE BALANCE OF PAYMENTS COMMITTEE MECHANISM. TOO OFTEN IT HAS APPEARED AS IF ONLY LDC MEASURES ARE REVIEWED BY THE BOP COMMITTEE WHILE DEVELOPED COUNTRIES ARE PERMITTED TO UTILIZE THE NARROWER EXAMINATION OF A LIMITED WORKING PARTY. WE WISH TO ELIMINATE THIS PRACTICE AND ASK NEW ZEALAND'S ASSISTANCE. NEW ZEALAND CAN BE ASSURED THAT IF THEY AGREE WE WILL CONTINUE TO PRESS OTHER DCS IN SIMILAR SITUATIONS TO USE THE BALANCE OF PAYMENTS COMMITTEE TOO.

ACTION REQUESTED:

1. YOU SHOULD ADVISE GNZ REPRESENTATIVE OF US INTENTIONS REGARDING COUNCIL CONSIDERATION OF THE IDS EXTENSION AND USING THE ARGUMENTS ABOVE YOU ARE TO ATTEMPT TO OBTAIN THEIR AGREEMENT TO MOVE CONSIDERATION OF THE IDS TO THE BALANCE OF PAYMENTS COMMITTEE.

2. IF NEW ZEALAND'S IDS EXTENSION IS NOT YET AN AGENDA  
ITEM PLEASE REQUEST THE SECRETARIAT TO INCLUDE IT UNDER  
OTHER BUSINESS.

3. USING THE ARGUMENTS OUTLINED ABOVE, SOLICIT THE  
AGREEMENT OF THE OTHER COUNCIL MEMBERS FOR THE MOVEMENT OF  
CONSIDERATION OF THE NEW ZEALAND IDS TO THE BALANCE OF  
PAYMENTS COMMITTEE.

4. PLEASE INFORM US OF THE RESULTS OF SUCH DISCUSSIONS.  
WE WILL SEND INSTRUCTIONS FOR THIS ITEM AT COUNCIL UPON  
RECEIPT OF YOUR REPORT.

CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS, COMMITTEE MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE112532  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JCUNNINGHAM:PRM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** 77 STATE 223115  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Status:** NATIVE  
**Subject:** GATT BALANCE OF PAYMENTS COMMITTEE - NEW ZEALAND E  
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**To:** GENEVA  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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